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PRESS SUMMARY OF
AGRICULTURAL OUTLOOK FOR 1940

For information of
County Agricultural Extension Agents
and
Chairmen of Land-Use Planning Committees



Prepared and released by the Bureau of Agricultural Economics in
cooperation with Extension Service, U. S. Department of Agriculture.

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For November 6 a.m. papers:
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DEMAND AND PRICE OUTLOOK
ARE FAVORABLE FOR 1940

Demand for farm products will be considerably stronger in 1940 as a whole than in 1939, "largely because of prospective increases in domestic business activity and consumer incomes," the Bureau of Agricultural Economics said today. Increased export demand for a few farm products also was forecast. "This outlook is based upon the assumption that the European War will continue for at least a year," the report stated.

The war has induced part of the sharp increase in industrial production in the last part of 1939, and has improved business prospects for 1940 as a whole, the Bureau said. Exports of some industrial commodities to the belligerent nations will be increased, and a part of the neutral nations' purchases of manufactured goods will be diverted to this country because their usual sources of supply will be cut off.

These effects may be rather slow in developing, it was stated, since time is required for reorganization of purchasing activities and shipping facilities. Despite such uncertainties, the net effect of these war influences was held to be favorable to domestic business.

General conditions in domestic industry also were reported to be fairly favorable. "It is probable that even had there been no war, business activity and consumer incomes would have experienced some improvement in 1940. No definitely unfavorable situation is noted in any important industry. A considerable increase in the output of automobiles and other durable consumers' goods is probable."

Some increase in capital expenditures, and less cautious buying policies on the part of business men generally, are indicated by the improved

DEMAND AND PRICE OUTLOOK ARE FAVORABLE FOR 1940 - Continued

price situation and other conditions. Taking into account both domestic and foreign factors, a moderate increase in industrial activity appears to be in prospect for 1940 as a whole compared with 1939, the report stated.

Sharp fluctuations of industrial activity in 1940 are likely to result, however, from uncertainties arising out of the war and from adjustments that will be necessary following the period of inventory accumulation which began with the outbreak of war. This wave of buying has caused production to run ahead of actual consumption and exports by a considerable margin, the Bureau said.

"Sometime in 1940 a period of readjustment will be necessary, and it is expected to result in a considerable decline from the peak reached in the present upswing. Although it is possible that such a recession might develop sufficient force to offset other favorable factors and prevent a resumption of the improvement begun in 1939, such a result is not probable on the basis of present indications," the report stated.

Consumer incomes do not fluctuate so much as industrial production, and, because of the carry-over effects of business conditions, changes in incomes tend to lag behind changes in industry. Thus, the Bureau held, "incomes in 1940 will be affected not only by the expected further business recovery in that year, but also by the improvement that occurred in 1939. For these reasons, the gain in consumer incomes should be considerably greater in 1940, relative to the extent of business improvement, than it was in 1939."

Export demand for some farm products that will be needed to supply the belligerent nations will be increased, but some other commodities may be

DEMAND AND PRICE OUTLOOK ARE FAVORABLE FOR 1940 - Continued

adversely affected by the war. The loss of the German market will be much less important than it was during the World War.

"Great Britain and France apparently have funds adequate to finance any possible increase in imports during the first year or two of a war, although they will attempt to conserve these resources by careful buying and the use of governmental controls over imports and prices." The Bureau emphasized that such controls had been established earlier and more completely than in the first years of the World War.

"Decreased production, and greater war-time requirements for some products in the belligerent countries, will cause these nations to have less regard than in peace times for the effects of increased imports on their financial resources or domestic economic programs," the report added. "The increased cost and risk of ocean shipping will give the United States some advantage over more distant competing exporting nations, although probably not so much as during the World War."

Partly offsetting the effects on prices of the expected improvement in domestic and foreign demand will be large supplies of several important farm products, the report said. The fact that speculative markets already have reflected anticipated increases in demand also will tend to minimize further price advances in 1940.

Nevertheless, the Bureau stated, prices of farm products should experience some increase over the average for 1939, and probably will be higher relative to prices paid by farmers than during the last two years. The general level of wholesale prices in the United States also is expected to be higher in 1940 than the average for 1939.

DEMAND AND PRICE OUTLOOK ARE FAVORABLE FOR 1940 - Continued

The probable supply and demand conditions for farm products in general in 1940 indicate that a slightly larger total volume of marketings will be disposed of at higher prices. Practically all groups of commodities will share the increase. As a result, cash income from the sale of farm products should be materially higher in 1940 than in 1939, but may not reach the 1937 level. Income from livestock and livestock products may be nearly as large as in 1937. Although the increase in income from crops may be relatively as large as for livestock, the larger domestic and world supplies of some important crops may keep the income from them from reaching 1937 levels. Government payments will be larger in 1940 than in 1937, the Bureau stated, and will partially offset the lower income from crops, but total farm income including Government payments is not likely to equal that for 1937, when income was the highest for any year since 1929.

The improvement in farm income in 1940, the report concluded, may be more pronounced for meat animals, dairy products, poultry, and fruits and vegetables than for cotton and wheat. Some commodities may also benefit from increased foreign demand, particularly hog and dairy products.

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For November 6 p.m. papers: FARM CREDIT NEEDS
----- TO INCREASE IN 1940

Farmers probably will use 5 to 10 percent more short-term credit in 1940 than in 1939, exclusive of Commodity Credit Corporation loans, the Bureau of Agricultural Economics indicated today in its annual farm credit outlook. The volume of farm-mortgage financing also is expected to be higher.

Ample short-term credit will be available, it was stated, to meet all anticipated credit demands by farmers of good credit standing. Interest rates are expected to be little, if any, higher than in 1939.

Among the agricultural changes requiring more short-term credit, the Bureau said, are the increasing number of livestock, larger use of farm machinery, and increasing expenditures for farm improvements. It was indicated that the present rate of increase in use of short-term credit may be augmented during 1940 because of rising costs of farm supplies and equipment, higher livestock prices, and prospects for better farm income next year.

Deposits of country banks rose substantially during the fiscal year ending June 30, 1939. These banks also hold large unused reserves and large portfolios of securities. "Production credit associations, livestock loans companies, and agricultural credit corporations likewise are in position to furnish a plentiful supply of credit. Federal intermediate credit bank debentures, the principal source of funds for these institutions, continue to have a ready market at low rates of interest," the Bureau stated.

The Bureau pointed out, however, that funds available for making rehabilitation and emergency loans by the Government would be slightly smaller

FARM CREDIT NEEDS TO INCREASE IN 1940 - Continued

than in 1939. Applications for rural electrification loans are exceeding available funds, but credit for other cooperative purposes appears to be ample.

No appreciable decrease in refinancing farm mortgages is expected in 1940. Additional new financing is expected in connection with land transfers, farm equipment purchases, and farm improvements. No great change is probable in the volume of outstanding mortgage debt. Additions to mortgage debt through new financing are likely to be offset by repayments on principal, foreclosures of mortgaged farms, and scale-downs resulting from debt adjustments, it was stated.

Ample mortgage credit on favorable terms will continue to be available in 1940. Funds for such loans from Federal and private agencies are abundant. The Farm Security Administration has larger sums available in 1939-40 for tenant -purchase loans under the Bankhead-Jones Farm Tenant Act.

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FARM PRODUCTION COSTS IN '40
EXPECTED TO AVERAGE HIGHER

The per-unit cost of commodities and services used in production of farm products in 1940 probably will average a little higher than in 1939, the Bureau of Agricultural Economics said today in its annual outlook report on production costs. "Some rise in wage rates is expected and prices of most commodities used in farm production probably will average a little higher," it was stated. "Most increases are likely to be small, but war requirements may cause sharply higher prices for a few commodities."

Prices of commodities and services may not increase as much in 1940 as they did following the outbreak of war in 1914, the Bureau said. The combined index number of prices paid by farmers for commodities used in production and of farm-wage rates advanced 4 points from 1914 to 1915.

The Bureau looks for a further decline in total farm employment next year, but added that "greater use of mechanized equipment will enable farmers to maintain production at current levels." Higher prices for farm machinery and building materials are expected. Prices of most fertilizer materials will rise a little, the Bureau said. No substantial increase in prices of potash salts is expected as only a small proportion of the needs for these are supplied by the nations now at war.

Prices paid by farmers for nearly all important seeds may be some higher and because of a smaller crop of red clover, seed bought for spring plantings of this crop in 1940 may be priced considerably higher than in the spring of 1939. Feed prices advanced in September along with the advance in grain prices and are now higher than a year ago. During the remainder of the 1939-40 feeding season little change in feed prices is expected in view of ample supplies.

NUMBER OF HORSES.
CONTINUES TO DECLINE

A further decrease in the number of horses on farms was indicated today by the Bureau of Agricultural Economics in its annual outlook report for 1940. Increase in tractor competition, declining prices for horses, inroads of disease in some sections, and a decreased colt crop in 1938 were the bases for the forecast.

The length of time this trend will continue, the Bureau stated, depends largely upon the trend in colt production during the next few years. This trend will be determined by a number of factors -- such as the price of work animals relative to prices of other livestock and to tractor prices and prices of feed grains and hay -- which will influence farmers' decisions as to the relative returns from colt raising compared with other livestock production.

The number of workstock on farms has decreased steadily since 1913, standing at 10,800,000 horses and 4,382,000 mules on January 1, 1939. Increases in colt production from 1932 through 1937 slowed down the rate of decrease in horse and mule numbers. Colt production decreased in 1938, however, and is now well below the number needed to replace old workstock.

Turning to the foreign situation, the Bureau stated that there is a possibility that the war in Europe may increase exports of horses and mules, but greater use of mechanical units in warfare is likely to make the demand for horses and mules smaller than during the World War.

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For November 7 a.m. papers:

NO INCREASE INDICATED
IN WINTER WHEAT ACREAGE

Available information indicates that the wheat acreage seeded for harvest in 1940 will be about the same as for 1939, the Bureau of Agricultural Economics reported today in its annual wheat outlook. Conditions for seeding and starting wheat have been unfavorable over practically the entire winter-wheat area. Even though higher wheat prices followed the declaration of war in Europe, farmers generally did not plan extensive increases in seedings in the important winter wheat States.

Production will total about 760 million bushels, if the total wheat seedings for harvest in 1940 are unchanged from the 64.6 million acres seeded last year, and average yields are obtained. This would be 75 million bushels more than the average domestic disappearance of 685 million bushels during the last 10 years. Should exports approximate the 10-year average of 70 million bushels, the carry-over on July 1, 1941 would be about the same as on July 1, 1940.

Unless unusually favorable growing conditions in the winter wheat States exist for the remainder of the growing season, however, and conditions for spring wheat are also favorable, yields per seeded acre for all wheat will be below average. This would result in a reduction at the close of the season of the moderately large carry-over in the United States. The carry-over, however, would still be large enough to assure ample supplies by classes for the marketing year beginning July 1, 1940.

No marked reduction in wheat acreage in Europe is expected for the 1940 crop, the Bureau stated. Probable decreases in acreage seeded in the areas of military operations are likely to be at least partly offset by in-

NO INCREASE INDICATED IN WINTER WHEAT ACREAGE - Continued

creases in neutral countries and in the United Kingdom. World acreage, therefore, in 1940 is likely to be about the same as for 1939. Average yields on this acreage would result in a crop almost equal to prospective world consumption. Such a crop, of course, would not substantially reduce the large world carry-over stocks.

Unless wheat acreage is reduced or yields per acre are small, large world supplies will probably continue during the 1940-41 season. Any improvement in world wheat prices would then depend upon improvement in demand or a rise in the world price level, according to the Bureau. Wheat prices in the United States are expected to continue to average relatively high compared with prices in other surplus producing countries so long as the Government loan and export subsidy programs continue and world prices remain low. The large quantity of wheat under Government loan is operating to support domestic prices.

In appraising the wheat situation for 1939-40 and 1940-41 many people think of the high prices and large exports during the World War, the Bureau pointed out. They are inclined to overlook the fact that conditions at the beginning of the present war are greatly different from those at the beginning of the World War. World wheat supplies are now abundant and the largest on record. Estimated at 5.4 billion bushels, world supplies are 57 percent larger than in 1914. Consumption, totaling about 4.0 billion bushels, is only about 30 percent larger than in 1914.

The United States now faces greatly increased competition compared with the World War period, particularly in the important United Kingdom

NO INCREASE INDICATED IN WINTER WHEAT ACREAGE -- Continued
market, which may be expected to favor Canada. If shipping losses do not prove heavy, the United Kingdom may also favor Australia and possibly Argentina. United States wheat exports were large at the beginning of the World War as a result of short crops in Canada and Australia and the lack of strong competition from the Argentine. Prices did not advance materially until after the war had been under way for 2 or 3 years, and then only when world production was small and the general price level was rising.

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For November 7 p.m. papers:

SLIGHT DECLINE INDICATED
IN WORLD COTTON SUPPLIES

The world supply of all growths of cotton in the 1940-41 season is expected to be slightly below the record or near-record supplies of the past three years, the Bureau of Agricultural Economics said today in its annual outlook on the cotton situation.

World consumption in 1939-40 is expected to be about equal production, the Bureau stated. This would indicate a carry-over of all growths of cotton on August 1, 1940, not materially different from the near-record stocks of 21,900,000 bales at the beginning of the current season.

"With the same harvested acreage as in 1939, and with yields equal to the 5-year 1934-38 average, the 1940 production of American cotton would be considerably less than in 1939," the report stated. The 1940-41 foreign crop is expected to show at least some decline.

The world carry-over of American cotton August 1, 1939, was about 14,100,000 bales, a new high. Even with a below-average crop, the Bureau said, the indicated 1939-40 world supply of American cotton of 25,800,000 bales is only slightly below the peak supply of 1932-33. It is a little larger than the 1938-39 supply and 3,900,000 bales above the 10-year average.

"At present, however," the report stated, "about 10,100,000 bales of the indicated supply are either owned or held as collateral against loans by the United States Government, exclusive of the cotton traded to Great Britain. Very little of this is likely to be available for consumption or merchandizing purposes during the current season unless prices advance considerably."

The estimated 1939-40 world supply of 24,000,000 bales of foreign grown commercial cotton is 1,000,000 bales below that for the 1938-39 season,

SLIGHT DECLINE INDICATED IN WORLD COTTON SUPPLIES - Continued

but 8,400,000 bales more than in 1932-33. It is nearly one-fourth larger than the 10-year, 1928-37 average.

"It now seems probable that the world carry-over of non-American cotton on August 1, 1940, may be about the same as a year earlier, but that the 1940-41 foreign crop may be somewhat smaller," the Bureau said.

World consumption of all growths in 1938-39 was nearly 28,500,000 bales. This was second only to the peak consumption of almost 31,000,000 bales in 1936-37, and 10 percent above the 1928-37 average.

Prospective increases in consumption in the United States and in certain foreign countries in 1939-40 are expected to offset some of the decreases in prospect in belligerent European countries. But there appears to be little likelihood that total world consumption of all growths will exceed that of 1938-39 and it may be considerably smaller.

"With prices about unchanged from the previous year and a United States crop 37 percent below that of 1937," said the report, "gross returns to farmers from cotton and cottonseed, exclusive of Government payments with respect to cotton, in the 1938-39 season were about 35 percent smaller than in the previous season and 30 percent less than the average for the 10 years, 1928-37. Prices about equal to the average level for August, September and October, together with the October estimate of the 1939 crop, would result in some increase in gross returns from cotton and cottonseed in 1939-40."

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For November 8 a.m. papers:

OUTLOOK FOR FEED GRAINS IMPROVED

The rapid increase in livestock, together with an improved demand for livestock products, is steadily improving the outlook for the feed grains, the Bureau of Agricultural Economics indicated today in its annual report on feed crops and livestock.

"Livestock numbers will show an increase of about 7 percent during 1939, and some further increases are expected in 1940," the Bureau said. Instead of insufficient livestock to consume the grain produced, as was the situation during the past two seasons, livestock numbers are now about in balance with grain production, and some progress may be made in 1940 toward reducing the very heavy stocks of feed grains accumulated from the crops of 1937 and 1938.

The sealing of a large volume of corn under Government loan is also helping to improve the price situation for feed grains. "If the quantity of corn now under seal is deducted from the feed-grain supply, the remaining supply is only about equal to the 1923-32 (pre-drought) average in total quantity and in pounds per unit of livestock to be fed," the Bureau pointed out.

Although no definite forecast was made on production next season, "because crop yields will be determined primarily by the weather," the Bureau said that decreased allotments for corn probably will cause some decrease in the acreage of that crop in the commercial area. No material increase in the acreage of feed grains elsewhere was forecast.

"Unless growing conditions are better than average, feed grain production is not expected to increase and growing conditions as unfavorable as the

OUTLOOK FOR FEED GRAINS IMPROVED - Continued

average during the last ten years would mean a substantial decrease," the report said.

Because of the greatly increased production of soybeans and flaxseed, the supply of high-protein feeds this season probably will be above that of last year, and much above average, the report indicated. The supply of other by-product feeds this season is expected to be about the same as for last season, but the quantity of wheat fed during the remainder of the season will be smaller than the average for the same period of recent years.

Exports of feed grain are expected to be relatively small in 1940. Exports of livestock products should show some increase, but probably not enough to have any material effect on the livestock situation in the country.

The level of feed-grain prices during the winter and spring months is expected to average moderately higher than in the last feeding period, the report said. Grain prices are also expected to be higher relative to livestock prices than they have been since the fall of 1937.

Improvement in the situation for feed-grain producers is probable, however, as an indirect result of the expected increase in the incomes of domestic consumers. Such an increase would improve domestic demand for livestock products and increase the prices that livestock feeders could pay for grain, the Bureau stated.

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For November 8 p.m. papers:

BIGGER PRODUCTION AND DEMAND
FOR MEATS, FORECAST FOR 1940

Livestock slaughter, and meat and lard production, in 1940 will be larger than in 1939, the Bureau of Agricultural Economics indicated today in its annual outlook report for meat animals and meats.

"An increase of 8 or 9 percent in the total dressed weight of livestock slaughtered under Federal inspection seems probable," the report said. The increase will be mostly in pork and lard; little change is expected in the production of beef and lamb.

Total meat production has been increasing since 1937, following a period of short production from 1935 through 1937 resulting chiefly from the severe droughts of 1934 and 1936. Per capita production of federally inspected meats and lard in 1940 will be larger than in any recent year and may be about equal to the 1929-33 average, the Bureau stated.

The increase in slaughter supplies of hogs would normally tend to depress prices of both cattle and hogs, but in view of the prospects for substantial increases in industrial activity and consumers' incomes this tendency may be largely offset by increased consumer demand.

Consumer demand for meats in the United States in 1940 is expected to be stronger than in 1939, the report indicated. Foreign demand for pork and lard also is expected to be stronger. However, domestic demand will be a much stronger price-supporting factor than the increase in foreign demand.

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For November 8 p.m. papers:

INCREASED DOMESTIC, FOREIGN DEMAND
FOR HOG PRODUCTS EXPECTED IN 1940

Consumer demand for hog products in the United States in 1940 will be stronger than in 1939, the Bureau of Agricultural Economics indicated today in its annual report on the hog outlook. Larger foreign demand for pork and lard in 1940 also is in prospect as a result of the effects of the war upon European supplies. Expansion in pork exports is expected to be greater than in lard exports.

Effects on hog prices of the improvement in domestic and foreign demand, however, probably will be offset largely, if not wholly, by the increase in the supplies of hogs for slaughter during 1940, the report stated.

The number of hogs slaughtered under Federal inspection in the present hog-marketing year, October 1939 - September 1940, probably will be about 20 percent greater than in the 1938-39 marketing year. Slaughter in the present year may be a little larger than the 1929-33 average. Weights of hogs marketed probably will continue relatively heavy.

"In view of abundant feed supplies and the prospects for a hog-corn ratio about average or somewhat above average, a further increase in the number of pigs raised is expected in 1940," the Bureau said. "There is little likelihood, however, of an increase in the pig crop in 1940 anything like so great as that in 1939. The fact that a considerable part of the 1939-40 corn supply will be held under loan or held by the Government will be an important factor tending to prevent a large increase in production in 1940."

The 1939 pig crop is as large as, or larger than, the pre-drought average in all regions, except in the area of the Corn Belt west of the Missouri River. Feed-crop production is again short in this area, and little increase in number of pigs raised there is expected in 1940.

INCREASED DOMESTIC, FOREIGN DEMAND FOR HOG
PRODUCTS EXPECTED IN 1940 - Continued

"In most other areas it also seems probable that only a moderate increase in hog production will occur in 1940, as production in these areas is already at a relatively high level," the report said.

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For November 8 p.m. papers:

CATTLE SLAUGHTER TO DECLINE;
AVERAGE OF PRICES MAY BE HIGHER

Total slaughter of cattle and calves in 1940 is expected to be somewhat smaller than in 1939, the Bureau of Agricultural Economics said today in its annual report on the Beef Cattle outlook. Steer slaughter probably will show little change, but marketings of breeding stock in the Western States are expected to be reduced if feed crop and range conditions are near average next year.

Cattle numbers are expected to be about 2 million head larger next January 1 than last. Most of the increase during 1939 has been in Minnesota, Iowa, and Missouri, and in States east of the Mississippi River. In the last-named area, numbers in early 1940 will be the largest on record, it was stated.

Even if cattle slaughter in 1940 should be no smaller than in 1939, the Bureau said, a further increase in cattle numbers is likely to take place -- particularly in the Western Cattle States if feed conditions in this area show any marked improvement over the relatively poor conditions in 1939.

The number of cattle fed in the Corn Belt this winter is expected to be larger than in 1938-39. Supplies of feed grains are abundant in the central and eastern Corn Belt and returns from cattle feeding were favorable during the past season. Cattle feeding in the Western States probably will be on a smaller scale than during last season, since the poor range and pasture conditions of last summer have resulted in a heavy movement of Western cattle eastward, and feed grain supplies in the West are smaller than a year earlier.

Marketings of fed cattle during the late winter and early spring in 1940 are likely to be larger than the relatively small marketings of that

CATTLE SLAUGHTER TO DECLINE; AVERAGE OF PRICES MAY BE HIGHER - Continued period in 1939. But the number of such cattle marketed during the summer and fall next year may not be greatly different from the number marketed in the like period this year, the Bureau said.

Cattle prices may average slightly higher in 1940 than in 1939, it was stated, since the domestic demand for meats is expected to be stronger and the total live weight of cattle marketed probably will be slightly less than in 1939. Relatively high prices for hides also will be a factor tending to support cattle prices.

On the other hand, total meat supplies in 1940 will be larger than in 1939 chiefly because of the increase in hog marketings in prospect. With relatively large supplies of fed cattle and some reduction in marketings of cows and heifers the spread between prices of the upper and lower grades of slaughter cattle probably will continue to be comparatively narrow in 1940.

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For November 9 a.m. papers:

DAIRY CONSUMPTION OUTLOOK
FAVORABLE TO PRODUCERS

Some increase in consumption of fluid milk and cream is expected this winter compared with last, the Bureau of Agricultural Economics said today in its report on the 1940 dairy outlook.

"During the 1939-40 winter feeding season," the report said, "milk production is expected to be about as large as the heavy winter production a year earlier. With increases in the number of cows, the probable trend in milk production will be gradually upward, as long as feed supplies per animal unit remain relatively high."

The production of feed grains and hay in 1939 was somewhat less than a year earlier, but relatively large stocks carried over from the preceding year make total supplies for the 1939-40 feeding season somewhat larger. The number of livestock on farms has increased sharply in the past year. Supplies of feed grains and hay per animal unit for the coming season are slightly less than a year ago but well above average.

The Bureau stated that if war continues, "our exports of dairy products, particularly of concentrated milks, may increase," but added that because of tariff changes since the last war a marked increase in exports of butter is less likely than in 1914.

Total production of manufactured products for the coming year is likely to continue high but to show little change from 1938 or 1939. Consumption of dairy products in 1939 was unusually high. Milk production in 1939 was high, and there was a marked reduction in stocks of manufactured dairy products. There was an increase in apparent consumption of butter through regular trade channels, and a large volume was distributed for relief purposes.

DAIRY CONSUMPTION OUTLOOK FAVORABLE TO PRODUCERS - Continued

Total supplies of dairy products available for consumption during the coming winter will be considerably less than a year earlier because of the lower stocks on hand. Supplies in the hands of the trade may be larger, but holdings by Government agencies are decidedly less.

"By January 1, 1940, the number of milk cows on farms will probably be nearly 1 percent larger than the 25,093,000 head a year earlier," the Bureau stated. "This would be the largest number since 1936." Increases in the number of milk cows in the next two years are expected to be more rapid than in the last two years. The number of young stock on farms is more than enough to provide for normal replacements to dairy herds in 1940 and 1941.

Long-time upward tendencies in dairy-cow numbers seem to be most marked in the northeastern and Lake State dairy regions, the Corn Belt, and the Cotton Belt. For the next few years the northern dairy regions probably will show the greatest increase.

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For November 9 p.m. papers:

TOBACCO EXPORTS TO DECLINE;
U. S. CONSUMPTION TO INCREASE

A moderate increase in domestic consumption of American tobacco in 1940, with a substantial reduction in the export market, was indicated today by the Bureau of Agricultural Economics in its annual outlook report on tobacco.

Production of American tobacco in 1939 reached a new high of 1,654,200,000 pounds. The total supply on hand, 3,795,500,000 pounds, also was the largest on record.

Flue-cured tobacco comprises 1,958,500,000 of these 3,795,500,000 pounds on hand. Domestic consumption of this type is expected to increase somewhat, but a sharp drop in exports in 1940 was forecast.

Supplies of flue-cured and Burley, which normally make up more than 75 percent of the American tobacco production, are the largest on record, and excess of 1939 production over prospective disappearance will result in burdensome stocks in 1940, the Bureau stated.

For most other types, the 1939 production is fairly well in line with the expected disappearance in 1940, and stocks a year hence are not expected to be excessive in relation to consumption.

"With improving business conditions and increasing employment the domestic consumption of cigarettes and cigars will probably continue to increase," the report stated. "Furthermore, the results of the recently held referendum on a marketing control program in 1940 will go a long way toward correcting the unbalanced situation in flue-cured tobacco."

Exports in 1940 may be greatly reduced because of the war in Europe, the Bureau said, but foreign consumption of American tobacco may be maintained at about the 1939 level by withdrawals from stocks of American leaf abroad.

TOBACCO EXPORTS TO DECLINE; U. S. CONSUMPTION TO INCREASE - Continued

The 1939 flue-cured crop exceeded the annual disappearance of recent years by more than 200,000,000 pounds, and, as a result, domestic stocks a year hence will be materially larger than at present. Growers have voted in favor of the marketing program, however, and, if yields or the 1940 acreage are average, production would total about 660,000,000 pounds. The 1939 production was 1,012,200,000 pounds.

Stocks of fire-cured tobacco are low but are adequate for the present rate of disappearance, the Bureau said. Exports are at a low level and are likely to be further reduced by the war. Production of dark air-cured tobacco has been closely in line with disappearance and stocks do not appear excessive.

Supplies of Burley tobacco are abnormally large and are expected to result in further increased stocks by October 1, 1940. A moderate increase in the domestic consumption may be expected during the next year because of expanding cigarette consumption. Exports of Burley are relatively unimportant.

The outlook is for some increase in the domestic consumption of Maryland tobacco in cigarettes and short-filler cigars, but some decrease in exports. The net result may be a slight decrease in total disappearance.

Cigar consumption is tending upward as a result of improving business conditions and this trend is likely to continue at least into 1940, the Bureau said. Prospective disappearance of cigar types in 1940 would be met by an acreage in 1940 about equal to that of 1939.

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RICE SUPPLIES AND CARRY-OVER
EXPECTED TO CONTINUE LARGE

Supplies of rice for the 1939-40 season are likely to be fully as large as for last season, the Bureau of Agricultural Economics indicated today in its annual outlook report for rice.

"Supplies of southern rice may slightly exceed the unusually large stocks of the previous two seasons, and California supplies also will be larger than they were last year," the report said.

Because of the large supply in prospect, relatively large stocks may again remain at the close of the 1939-40 season. No material increase in demand was forecast.

"Some increase in domestic utilization and possibly in shipments to insular possessions may result from increased employment and a broadening in domestic demand," the report stated, "but export trade, upon which the American rice industry must depend as an outlet for surplus stocks, may be no greater than in 1938-39."

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For November 10 a.m. papers:

DRY EDIBLE BEAN SUPPLY
CLOSE TO LARGEST ON RECORD

The United States supply of dry edible beans for the 1939-40 season will be about 5 percent smaller than last year's large supply and approximately 15 percent larger than the average for the 5-year period 1933-37, the Bureau of Agricultural Economics indicated today.

Production for 1939 is estimated to be 11 percent smaller than last year, but carry-over stocks of beans on September 1, 1939, are the largest on record by about 33 percent.

Under normal conditions the acreage planted to beans in 1940 would decrease slightly, the report said, but with a somewhat broader demand and an upward trend in prices as a result of war conditions in Europe and increased industrial activity in the United States, growers may be inclined to increase their acreage.

As the present supply apparently is 3,500,000 bags more than normally would be used in the 1939-40 season, an increased production in 1940 might be a depressing price factor, it was stated.

A total United States harvested acreage in 1940 equal to that harvested in 1939 would produce with an average yield approximately 12 million bags of beans of 100 pounds each. Such a crop would provide a total supply of beans about two million bags in excess of average disappearance. The Bureau added, however, that if production is average, and if consumer incomes increase to higher levels, "prices for beans in the 1940-41 season probably will be higher than the average for the two preceding seasons."

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For November 10 a.m. papers:

BIGGER POTATO ACREAGE
PROBABLE NEXT YEAR

An increase of approximately 25,000,000 bushels of potatoes in 1940 over 1939 was indicated today by the Bureau of Agricultural Economics in its annual outlook report. With average yields this would mean a 1940 production of about 384,000,000 bushels.

Acreage planted to potatoes, which in 1939 was 3,075,000 acres, is expected to increase 100,000 acres, or 3 percent.

The 1939 crop was considerably reduced by severe drought in the intermediate States. Average growing conditions in 1940 would materially increase production in these States even though acreage remains the same, the report said.

The commercial acreage in the early and intermediate States is expected to increase about 10 percent, or 30,000 acres. Growers in the 30 late States probably will increase the acreage about 3 percent, or 70,000 acres.

"Demand for potatoes is relatively inelastic, but prices for a given quantity will vary with changes in consumer purchasing power," the Bureau stated. "There has been a decline in per capita consumption and under average demand conditions the production most likely to result in parity prices is about 360,000,000 bushels."

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BIGGER MARKETINGS, SMALLER HATCHINGS
INDICATED IN ANNUAL POULTRY OUTLOOK

Baby chick hatchings during 1940 may be somewhat smaller than in 1939, the Bureau of Agricultural Economics indicated today in its annual outlook report for poultry and eggs. Continuation of an unfavorable feed-egg ratio was given as a basis for the forecast.

"During September, 59 percent more eggs were required to purchase 100 pounds of poultry feed at Chicago prices than a year earlier, and 12 percent more than the 1928-37 average," the report said. "Almost two and a half dozen more eggs were required to buy 100 pounds of feed in this month in 1939 than in 1938. The feed-egg ratio will probably continue less favorable to producers than last year and may be less favorable than the 1928-37 average."

The total number of chicks hatched commercially during 1939 was the highest on record. Hatchings were approximately 21 percent larger than in 1938, and 19 percent larger than in 1936, the previous record year.

Poultry marketings in the first half of 1940 probably will be larger than in 1939 because of the heavy 1939 hatch of both chickens and turkeys. In the last half of 1940 they are expected to be smaller than a year earlier because of the decline in the 1940 hatch.

Fall and winter broiler production will be somewhat larger than last year's record high production unless relative feed costs increase considerably. If production increases, the situation is likely to be less favorable for producers than in the preceding year.

Poultry storage stocks in early 1940 will be larger than in 1939, the report stated. The into-storage movement in late 1940 is expected to be smaller than in 1939 because of smaller marketings.

BIGGER MARKETINGS, SMALLER HATCHINGS INDICATED IN
ANNUAL POULTRY OUTLOOK - Continued

"In the spring of 1940, the effect of increased consumer incomes on prices may offset the effect of the expected larger marketings as compared with a year earlier," the Bureau said in regard to poultry prices. "The expected decrease in marketing in the latter half of 1940 will tend to increase prices as compared with 1939."

Laying flocks and total egg production should be somewhat larger in 1940, with a corresponding rise in egg marketings. Egg prices in 1940, however, may be more favorable than in 1939 because of increased consumer income.

Turkey production in 1940 will be "somewhat smaller" than the record crop of 1939.

The Bureau also issued a statement on the possible economic effects of the present war on the poultry and egg industry. "Any influence which the European War may have on prices for poultry and eggs will be largely a result of its effects on our domestic economy," it said, "since it is not probable that exports of poultry or of eggs and egg products will increase within the next year to a sufficient extent to affect prices materially. Imports in 1938 were less than one-fourth of 1 percent of domestic production and have been equally small so far in 1939, and, therefore, need not be considered."

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For November 11 a.m. papers :

INCOME OF FARM FAMILIES
TO BE LARGER NEXT YEAR

Farm families probably will have higher net incomes -- money and "in kind" -- in 1940 than in 1939, the Federal Bureaus of Agricultural Economics and Home Economics said today in an outlook report on farm family living.

Total receipts from marketings of farm products are expected to increase, reflecting improvement in industrial activity and in consumer incomes. Values of products for farm home consumption also will be higher.

Farm production expenses will rise too, the report said, but less rapidly than gross receipts; hence, net returns from farming probably will increase more, relative to 1939, than gross income. Income from Government payments are expected to be about the same as in 1939, but non-farm earnings of family members may increase with greater opportunities for employment.

Most farm families will be able to buy a somewhat better living in 1940 than in 1939 if the anticipated improvement in general business conditions materializes. Their purchasing power probably will be greater even though their income increase is offset in part by a rise in retail prices of goods and services. More money will be available for farm home conveniences.

Electricity from power lines has been made available to an increasing number of farm homes during 1939. Increasing use is being made of electric lighting and appliances. Expenditures for transportation and communication probably will be larger in 1940. More families will have radios and automobiles. Prices of radios, declining since 1935, may remain at about the 1939 level. Current prices of 1940 automobiles are the same as, or a little below, those for 1939 models.

#

WAR INCREASES DOMESTIC,
FOREIGN DEMAND FOR WOOL

Increased domestic and foreign demand for wool brought about by the European War and reduced supplies of wool in the United States will tend to support domestic wool prices in 1940, the Bureau of Agricultural Economics indicated today in its annual outlook report on sheep, lambs, and wool.

Approximately the same number of stock sheep on farms and ranches at the beginning of 1940 as at the beginning of 1939 was forecast in the report.

"Wool prices have risen nearly 50 percent since August," the Bureau stated, "and it may be that much of the expected war demand already is reflected in these prices."

Changes in wool prices during the coming year will depend to some extent upon prices fixed by the British Government for Empire wools and upon the quantity of such wools released for export to neutral countries.

Prices of lambs in the 1939-40 fed-lamb marketing season (December-April) may average higher than in the 1938-39 season, the Bureau said. Slaughter supplies of lambs in the 1939-40 season (December-April) are expected to be somewhat larger than in 1938-39. "However, the effects of the increase in supplies upon prices will be offset or more than offset by improvement in consumer demand for meats and higher prices for wool obtained from slaughter lambs," the Bureau stated.

The trend in sheep numbers during the next few years may be moderately upward, especially if range conditions in the western sheep States are favorable. Present indications are that the number of lambs fed in the Corn Belt in the 1939-40 feeding season will be materially larger than in the season before. The increase in the Corn Belt, however, will be partly offset by reductions in the number fed in the Western States.

WAR INCREASES DOMESTIC, FOREIGN DEMAND FOR WOOL - Continued

"Mill consumption of wool in the United States thus far in 1939 has been larger than the average of recent years," the report said. "Prospects are favorable for a continuation of a relatively high level of mill consumption in 1940. Stocks of wool in this country are relatively small, and a considerable increase in imports is probable before the 1940 domestic clip becomes available."

Production of mohair in 1939 was probably a little larger than in 1938. Prices of mohair this year have been materially higher than in 1938. Demand for mohair in 1940 will be supported by the expected increase in the output of automobiles and the small supplies of coarse wools.

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For November 13 p.m. papers:

LARGER PRODUCTION, SMALLER EXPORTS
IN PROSPECT FOR CITRUS FRUITS

Further increases in the production of oranges, lemons, and grapefruit in the United States during the next 5 years were forecast today by the Bureau of Agricultural Economics in its annual report on the citrus fruit outlook.

The 1939-40 winter orange crop probably will be about the same as the large 1938-39 crop, and far in excess of the average crops for the years 1934-37, the report said.

Since about 40 percent of the bearing orange trees in the United States have not yet reached full production, additional increases in the average level of orange production may be expected over the next 5 years.

The anticipated increase in the level of consumer demand is a favorable factor this year, but there will be greater competition from the larger apple supply, and exports may be reduced because of the war.

United States orange exports have risen sharply during the last two seasons, mainly because of smaller exports from Spain. "Further increases in domestic exports during the next few years do not appear to be likely because of the prospect for a continued upward trend in foreign production of oranges and the probability of a recovery in exports from Spain," the Bureau stated.

Unless trees are badly damaged by adverse weather conditions, production of grapefruit during the next few years will continue upward. The expected increase will be most pronounced in the late, or seedless, varieties of grapefruit which predominate in Texas, California, and Arizona.

The bearing acreage of grapefruit in all producing areas has been increasing rapidly during recent years, and the trend of production has been sharply upward. Approximately 65 percent of the bearing grapefruit trees in

LARGER PRODUCTION, SMALLER EXPORTS IN
PROSPECT FOR CITRUS FRUITS - Continued

the United States at the present time have not yet reached the age of full production.

"It seems probable that production during the next 5 marketing seasons will average one-third higher than during the last 5 seasons," the Bureau stated.

Because of the war, exports of fresh grapefruit to European countries during the 1939-40 season are likely to be less than in 1938-39. Exports to other than European markets, however, are likely to be maintained. Purchasing power in Canada is expected to increase, and this may result in increased imports of grapefruit from the United States.

Lemon production during the 1939-40 season is expected to be somewhat smaller than the record 11,782,000 boxes produced in 1938-39. Average annual production during the next 5 year period, however, probably will be about 10,500,000 boxes, 2,000,000 boxes above the 1933-37 average.

Marketing conditions confronting growers of California lemons during the 1939-40 season probably will be slightly better than during the season just passed.

"In view of the expected increase in production during the next 5 years, however, it seems probable that either consumption must be developed still further in the United States, or foreign markets must be expanded, if the present level of returns to growers is to be maintained," the report concluded.

#

INCREASED PRODUCTION OF PEACHES
FORECAST FOR NEXT FIVE YEARS

A continuation of the upward trend in United States peach production for the next five years, despite the danger of over-expansion in this crop, was forecast today by the Bureau of Agricultural Economics in its annual outlook report for 1940.

"Indications based on reports of plantings, age of trees, and care of orchards, are that the upward trend in production will continue in all of the important regions that produce peaches for market as fresh fruit," the Bureau reported. Many diseased trees have been removed through Government programs, and orchards generally are in good condition.

The crops of 1938 and 1939 averaged about 11 percent greater than the 51 million bushel average of 1933-37.

Large plantings have been made in recent years and orchards have not suffered severely from drought or freezing injury since 1936. In the experience of many growers, returns from peaches have been relatively favorable in recent years.

The Bureau pointed out, however, that "under these conditions in the past, plantings of peach trees have increased rapidly and have been followed by excessive production, low prices, neglect of orchards, and losses to growers."

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For November 13 p.m. papers:

LARGER ACREAGES AND CARRY-OVERS
LIKELY FOR CALIFORNIA GRAPES

An increase in bearing acreage of California grapes "for the next few years" was indicated today by the Bureau of Agricultural Economics in its annual report on the grape outlook.

Acreage in the principal producing areas other than California, however, is generally on the decline as a result of unsatisfactory prices and poor returns to growers in recent years.

California raisin growers are faced with a large unshipped carry-over and a bumper crop, though it is not as large as the record crop of last year.

"Unless the 1939 crop is much smaller than now indicated, or an exceptionally heavy movement into trade and diversion channels occurs, the carry-over into the 1940-41 season also is likely to be very large," the Bureau pointed out.

United States exports of raisins to Canada may be increased considerably if the movement of Australian raisins to that country is interfered with by the war. Exports of raisins to Europe will depend in part upon the restrictions imposed by the United Kingdom and France. In all probability, Great Britain will attempt to meet her requirements as much as possible with imports from Australia and Turkey. The United Kingdom is a very important export market for California raisins, and the curtailment or loss of this market will unquestionably reduce total exports. Exports to neutral countries will depend in a large measure upon the availability of shipping facilities.

Exports of fresh grapes from California to Europe will undoubtedly be reduced because of the re-entry of Spain into the fall and winter grape deal, and because of restrictions on fresh fruit imports -- particularly by Great Britain, our principal export market for this commodity.

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For November 13 p.m. papers:

BETTER DOMESTIC, POORER FOREIGN
OUTLOOK FOR PEARS

The upward trend in pear production in the United States is likely to continue during the next few years at a more moderate rate than during the last 10 years, the Bureau of Agricultural Economics indicated today in its report on the pear outlook for 1940. The increased production in the three Pacific Coast States, which has accounted for most of the past rise, will continue, but at a slower rate, the report stated. New plantings of pear trees have been very small during the past year.

The gradual upward trend expected in the East North Central States, particularly Michigan, probably will more than offset a moderate decline expected in the major pear-producing areas of the Middle Atlantic States. In all other areas, pear production is of only local significance and is likely to continue to decline in importance.

The Bureau also reported a probable further improvement in domestic demand conditions for the remainder of the 1939-40 marketing season.

Since 1930, season average prices to growers have been considerably below prices during the period 1919-29. Although prices up to 1937 had recovered somewhat from the lowest point reached in 1932, they experienced a drastic reduction during the 1938 season, declining almost to the level of prices in 1932.

"During the current season prices for Bartlett pears have been more satisfactory than in any recent season," the Bureau said. "A smaller crop than last year, improved demand conditions, and larger quantities used in canning are the major reasons for better prices at the beginning of the 1939 season."

BETTER DOMESTIC, POORER FOREIGN OUTLOOK FOR PEARS - Continued

The export outlook for the late varieties of pears is unfavorable, however, and imports of Argentine pears into the United States during the latter part of the season probably will be larger than usual because of a curtailment of shipments of pears from Argentina to Europe as a result of the war.

Exports of fresh pears, which reached a record movement during the 1938-39 season, are expected to be materially reduced during the current season, mainly because of the effects of the war.

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BETTER DOMESTIC, POORER FOREIGN
DEMAND PROSPECT FOR FRUIT

Consumer demand for fruits in the United States during 1940 is expected to be slightly higher than in 1939, the Bureau of Agricultural Economics said today in its annual report on the fruit outlook. The Bureau added, however, that the beneficial effects of this increase in domestic demand may be largely offset by curtailment of exports due to larger fruit crops and war conditions in Europe.

The average combined production of all fruits during the next five years probably will be larger than the average for the 5-year period, 1934-38, the report stated. Production during the 1939 season is indicated to be well above the 1934-38 average.

During the next five years significant increases are expected in the production of grapefruit, oranges, and lemons. Moderate increases are anticipated for peaches, pears, and cherries; and grape production probably will increase slightly. The trend in apple production is expected to continue downward at a moderate rate. Dried prune production probably will decrease moderately. No significant changes are expected in the average production of other fruits.

Total volume of fruit production during the five seasons, 1934-38, averaged about two-fifths larger than in the 5-year period, 1919-23. The rate of increase, as measured by the 5-year averages, was fairly uniform during this 20-year period.

Trend of apple production has been moderately downward. Production of oranges has more than doubled and is now exceeded only by apples. The grapefruit crop has increased to nearly four times the 1919-23 average, and lemon

BETTER DOMESTIC, POORER FOREIGN DEMAND PROSPECT FOR FRUIT - Continued production has almost doubled. Significant increases also have taken place in the production of grapes, pears, plums and prunes, apricots, strawberries, and cherries.

On a per capita basis the annual average production of the 13 major fruits increased from 176 pounds for the 5-year period, 1919-23, to 207 pounds during 1934-38. The per capita production of apples declined 20 percent during this period, whereas that of all citrus fruits doubled.

"From present indications it appears that during the next five seasons a larger per capita supply of fruit may be expected, but an increasing proportion of this supply will be comprised of citrus fruits," the Bureau said.

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For November 13 p.m. papers:

BIGGER ACREAGE AND DEMAND
FOR STRAWBERRIES INDICATED

The largest United States strawberry acreage in 11 years, about 197,000 acres, is expected in 1940, the Bureau of Agricultural Economics indicated today.

"This is only 2 percent above last year's acreage, however," the report said, "and, since the 1939 yield was 10 percent above average, production will be less in 1940 if yields are normal."

Improved demand because of higher consumer income also was indicated.

Increases in 1940 over 1939 acreages are indicated in the late and intermediate States. In the second early and the early States some decrease in acreage is expected.

A 3 percent decrease in acreage in 1940 is anticipated in the early States. With average yields, however, production in the early States in 1940 should be materially less than in 1939, when yields were exceptionally high.

In the second early States a decrease of 7 percent from the 1940 acreage is anticipated, but a gain of 6 percent is expected in the intermediate States, and a gain of 7 percent in the late States.

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For November 13 p.m. papers:

LARGE CHERRY PRODUCTION
EXPECTED DURING NEXT 5 YEARS

Cherry production in the United States probably will continue to show a slight upward trend for the next five years, the Bureau of Agricultural Economics indicated today in its annual report on the cherry outlook. Sweet cherries will have a more marked rise than sour.

In both cases little change in plantings is occurring, the rise in production being the result of increasing production from young trees.

"With most of the principal market outlets now expanding at a relatively slow rate, no appreciable increase in prices to producers is to be expected other than may come from a general increase in consumer purchasing power," the report stated.

Utilization of cherries has increased in most major outlets during recent years, but a slower rate of expansion is indicated for the future. The pack of canned red pitted cherries continues on an upward trend, with a heavy pack -- over 3 million cases -- in 1939, but little further expansion is likely unless consumer demand improves. The pack of frozen cherries has trended upward during the last 7 years, and a further increase is indicated. The pack of canned sweet cherries, which has trended downward for over a decade, increased in 1938 and 1939 but the heavier pack in these years does not necessarily indicate a reversal of the past downward trend, the Bureau pointed out. Fresh shipments of sweet cherries have shown no marked trend either upward or downward in recent years.

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For November 13 p.m. papers:

DRIED PRUNE OUTLOOK INDICATES
LOWER PRODUCTION, UNCERTAIN EXPORTS

Production of dried prunes in the United States probably will show a moderate decline during the next few years, the Bureau of Agricultural Economics indicated today in its annual report on the dried prune outlook.

The indicated 1939 crop of 212,000 tons will be 90,000 tons smaller than the very large 1938 crop. However, over 60,000 tons of the 1938 crop were unharvested because of market conditions.

"Low plantings for California dried prunes in recent years have caused the acreage of new plantings to fall below the acreage taken out of production," the report stated. The Bureau pointed out, however, that the present bearing acreage probably will continue to produce more prunes than can be moved at a price which will assure reasonable returns to growers.

"The export demand for United States dried prunes is uncertain as a result of war conditions," the report said. "Large United States supplies and increased European consumption of dried fruits in recent years favor an increase in exports; on the other hand, a heavy European production of dried prunes, plus governmental control of prices and imports in certain countries may have a decidedly unfavorable effect."

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For November 13 p.m. papers:

BETTER CONSUMER BUYING POWER
MAY IMPROVE APPLE OUTLOOK

Large supplies of apples and a reduced export demand may be at least partly offset by better consumer buying power, the Bureau of Agricultural Economics indicated today in its report on the apple outlook for 1940.

The program undertaken by apple growers, aided by the Federal Surplus Commodities Corporation, to divert low grade apples into by-product outlets will tend further to improve the situation, the Bureau said.

Domestic commercial apple supplies for the current season are expected to be about 22 percent larger than the supplies of last season, and 5 percent larger than the 1928-37 average. Supplies are relatively heavy in some of the important Central and Eastern States, including important export areas. The quantity of apples used for canning and drying is expected to be considerably larger in 1939 than it was in 1938, when about 10,300,000 bushels were canned and dried.

Canada, with a preferential market in the United Kingdom, anticipates difficulty in moving a normal volume of fresh apples to overseas markets in 1939-40. As a result, the Canadian Government now proposes to divert into canning and drying 5,000,000 bushels or more of varieties and grades of apples normally exported. During the last several years Canada has canned and dried annually an average of only a little over 1,000,000 bushels of apples.

Increased supplies of canned or dried apples in Canada will be a significant factor this season in the movement of United States canned and dried apples into export, the report stated.

"From a long-time viewpoint, the number of apple trees of bearing age in the United States is expected to continue to decrease," the Bureau

BETTER CONSUMER BUYING POWER MAY IMPROVE
APPLE OUTLOOK - Continued

concluded, "and the production trend during the next 5 or 6 years is expected to continue downward at a moderate rate with greater reduction in the total crop than in the commercial crop. If plantings and replacements continue to be as light as they have been during the last several years, production 10 or 15 years hence may be materially lower than it is now."

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INCREASED TREE NUT PRODUCTION
INDICATED FOR NEXT FIVE YEARS

Combined production of walnuts, almonds, pecans, and filberts in the United States is expected to continue "moderately upward" during the next few years, the Bureau of Agricultural Economics indicated today in its annual report on the tree nut outlook.

The combined 1939 production of approximately 111,900 tons is 20 percent more than the 1938 crop and 18 percent more than the average for the five years from 1933-37.

Because of the expected increase in tree nut production little if any increase in prices received by growers is believed to be likely in the next few years. Foreign demand this year will be curtailed by the war, but a factor which might offset this is better domestic demand due to increased consumer income.

English walnut production continues upward, as does production of improved (budded) varieties of pecans. The expected English walnut crop of 59,500 tons in 1939 is approximately 17 percent larger than in 1938, and the pecan crop of about 10,700 tons is 23 percent larger than in 1938.

The production trend of seedling pecans appears to be stationary or slightly upward, although this year's crop of about 19,200 tons is 19 percent larger than that of last year. The trend in almond production, on the other hand, seems strongly upward, with a probable average annual production of 18,000 tons in prospect for the next 5-year period.

Commercial production of filberts is a young and rapidly expanding industry. From 60 tons in 1927, the first year officially reported, United States production has increased to an expected 3,500 tons in 1939. A crop as large as 5,000 tons is possible by 1945, the Bureau said.

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For November 14 a.m. papers:

BIGGER PRODUCTION, BETTER DEMAND
FORECAST FOR TRUCK CROPS

A record 1940 production of commercial truck crops for fresh-market shipment, together with an improvement in demand, was indicated today by the Bureau of Agricultural Economics in its annual outlook report on the major truck crops.

"The improvement in demand probably will result in slightly higher prices of these crops as a group and a larger total cash income to producers," the Bureau said.

The total truck crop acreage probably will increase slightly, continuing the upward trend that has been in progress during the past 20 years.

Snap beans, beets, cabbage, cantaloups, carrots, cauliflower, celery, cucumbers, eggplant, peppers, tomatoes, and watermelons are expected to show an increase in acreage in 1940 over that harvested in 1939. Decreases in the acreage of lima beans, lettuce, onions, and green peas were forecast.

"Although the total acreage planted to fall truck crops is usually small relative to the total for the country as a whole, it is noteworthy that according to early October reports the fall plantings this season are increased 6 percent over 1939," the report said.

Increases in the South for fall and early cabbage of 14 percent; cauliflower, 5 percent; kale, 27 percent; and green peppers, 20 percent, were indicated. Provisional figures show substantially increased fall tomato crops in Florida and Texas, a decrease of 10 percent in the fall snap bean acreage, and a decrease of 3 percent in the fall celery acreage. Acreage of fall carrots, cucumbers, and spinach is the same as a year earlier.

BIGGER PRODUCTION, BETTER DEMAND
FORECAST FOR TRUCK CROPS - Continued

Plantings of snap beans probably will be materially reduced this fall, but are expected to rise again in 1940, the Bureau reported, pointing out that "any material increase in acreage, coupled with possible better than average yields, might result in a crop so large that some of it could not be marketed."

Prospects are for an increase of plantings and production of tomatoes for the fresh market in 1940. The acreage planted in 1940 probably will be increased from that harvested in 1939 in the fall, second early, and the Southern California late seasonal production areas. In the other sections little change is expected.

Production of onions in 1940 probably will be about 8 percent below production in 1939. The 1940 plantings of onions are expected to equal about the area harvested in 1939. Assuming "average yields and no change in acreage," the 8 percent decrease is forecast, since in 1939 there were exceptionally high yields in the late producing States.

Sweetpotato acreage in 1940 probably will be decreased slightly from the 887,000 acres indicated for harvest in 1939. Watermelons in 1940 should exceed the short crop of 1939 by from 5 to 30 percent. An increase of total production of cabbage also was forecast.

A 10 percent increase in 1940 celery production over 1939 with moderately greater returns to growers was indicated by the Bureau. Acreage of asparagus available for harvest in the 1940 season, for both market and processing, probably will be about 6 percent greater than in 1939.

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For November 14 a.m. papers:

IMPROVED OUTLOOK INDICATED
FOR CANNING CROPS IN 1940

Total supplies of processed vegetables available for consumption during the 1939-40 season are considerably less than the unusually large supplies of the last two seasons, the Bureau of Agricultural Economics indicated today in its annual outlook report for canning crops.

Production of 11 truck crops for manufacture in 1939 was about 23 percent below that of 1938. Because of the record carry-over of canned vegetables at the beginning of the 1939-40 season, however, total supplies, though probably about 12 percent below the high level of 1938-39, exceed the recent five-year average consumption, the Bureau stated.

Substantial increases in the acreages of most truck crops for manufacture in 1940 will be required to cover average consumption requirements in 1940-41 and provide average carry-overs.

With yields per acre and acreage abandonment about equal to the average of recent years, a planting of 325,000 acres of peas for canning and quick freezing will be needed in 1940, the Bureau stated. This would mean an acreage increase of 28 percent over the relatively small acreage in 1939, and would provide for average consumer requirements of 20,000,000 cases in 1940-41 and an average carry-over at the end of the season.

A 1940 pack of about 7,600,000 cases of snap beans probably would be sufficient to meet average consumption requirements and bring the carry-over down to about average proportions, the Bureau stated. Such a pack probably could be obtained from about 80,000 tons. If yields and abandonment are near average, a planting of 58,100 acres in 1940, or 12 percent more than in 1939, would produce the required pack.

IMPROVED OUTLOOK INDICATED FOR CANNING CROPS IN 1940 - Continued

To provide enough canned sweet corn to meet average consumption in 1940-41 it will be necessary to plant approximately 362,000 acres of sweet corn for manufacture, or an increase of about 50 percent over the planting in 1939, the report said.

With average yields, a planting of 466,000 acres of tomatoes for manufacture in 1940 probably would provide for all normal requirements in the 1940-41 marketing season. This acreage would be 28 percent more than the 1939 planted acreage. Total supplies of canned tomatoes in 1939 are indicated to be slightly smaller than in 1938 and only slightly larger than average annual disappearance.

Current wholesale prices on processed vegetables in general show appreciable improvement over those of a year ago, the Bureau reported, and it is probable that the contract prices received by growers for their 1940 acreage will be generally higher than in 1939.

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For November 15 a.m. papers:

RECORD DOMESTIC PRODUCTION
OF FATS AND OILS INDICATED

Production of fats and oils from domestic materials in 1940 is likely to be the largest on record, the Bureau of Agricultural Economics indicated today in a report on the outlook for fats, oils, and oilseeds.

Increased production of lard, soybean oil, linseed oil, and grease will much more than offset decreased production of cottonseed oil.

Stocks of fats and oils on July 1, 1939, were unusually large, the Bureau said. With record supplies of domestically produced fats, import requirements for vegetable oils and oilseeds are considerably less this year than those of a year earlier.

"Despite large domestic supplies, domestic prices of edible fats and oils in 1940 are expected to be somewhat higher than in 1939," the report added, "since both domestic and foreign demand probably will be strengthened as a result of increased industrial and war activities."

Prices of practically all fats, oils, and oilseeds, with the exception of flaxseed and the paint oils, were the lowest in August 1939 in more than five years. But with the outbreak of war in Europe in September, prices advanced fairly sharply. In late September and in October they dropped somewhat, but much of the advance was maintained.

Domestic supplies of cottonseed for the 1939-40 marketing season are indicated to be slightly smaller than those of a year earlier and below average. Although supplies of competing oils and feeds are large, the demand for cottonseed oil, hulls, and meal is expected to be somewhat stronger this season than last. And the demand for linters may be considerably stronger because of their usefulness for war purposes.

(RECORD DOMESTIC PRODUCTION OF FATS AND OILS INDICATED)

With the continuation of the peanut-diversion program, returns per acre from the 1939 peanut crop will compare favorably with these from cotton and other competing crops, the Bureau said. The peanut crop in 1939 was slightly smaller than the record crop of 1938. At least 250,000,000 pounds of peanuts should be available for crushing in the 1939-40 season.

Soybean production for 1939 is the largest on record. Although large supplies of soybean and linseed meal will be available, the demand for high-protein feeds is expected to be stronger than a year earlier. The demand for soybean oil also should be stronger. Exports of soybeans in 1939-40 probably will be larger than in 1938-39.

The acreage of flax seeded in the United States in 1939 was the largest since 1932, and a further expansion in domestic flax acreage seems probable for 1940. Present indications are that the flaxseed harvest in Argentina beginning in December 1939 will be considerably larger than a year earlier. The European demand for flaxseed is expected to be weaker in 1939-40 than a year earlier, the Bureau indicated, but demand in the United States probably will be well maintained.

Continued difficulties in securing shipments of tung oil from China because of military operations in that country will tend to support the demand for flaxseed and linseed oil in the United States. But with larger world supplies and a somewhat weaker world demand, flaxseed prices in 1940 may average lower than in 1939 unless commodity prices generally score a sharp advance.

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For November 15 p.m. papers:

PRESENT ACREAGE HELD AMPLE
FOR CLOVER AND ALFALFA SEED

About 2,300,000 acres for the production of clover and alfalfa seed in 1940 probably will be "fully ample" for the expected sowing requirements of 1940-41, the Bureau of Agricultural Economics indicated today in its annual report on the outlook for clover seed and alfalfa seed. This is approximately the acreage of clover and alfalfa harvested for seed in the United States in 1939.

Supplies of clover and alfalfa seed this fall are somewhat smaller than in the fall of 1938, but they are a little larger than usual. Prices of red and alsike clover seed are respectively about 10 and 40 percent higher than in 1938 but about 25 and 15 percent lower than the 1933-37 average. Prices of alfalfa seed are slightly below last year's prices, but also slightly above average. Prices of sweetclover seed are about the same as a year earlier, but about 30 percent below average.

Although drought and grasshoppers did much damage in some sections, the condition of clover and alfalfa meadows generally appears to be fully average, the report stated. New spring seedings went through the spring and summer in fairly good shape.

Present acreage appears to be adequate, the Bureau concluded, provided damage from winter killing is not severe and yield per acre in 1940 is about average.

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